

BEFORE THE

OIL & GAS COMMISSION

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JUL - 2 1999
Division of Oil and Gas

ALSID OIL & GAS DEVELOPMENT CO., :

Appeal No. ~~664~~

Appellant,

Review of Chief's Order 99-39

-vs-

DIVISION OF OIL & GAS,

Appellee.

ORDER OF THE COMMISSION ADOPTING CONSENT AGREEMENT

The Oil & Gas Commission has received and reviewed the parties' Consent Agreement and finds it well taken. Accordingly, the Commission hereby **ADOPTS** the Consent Decision. There being no outstanding issues of law or fact, the Commission hereby **DISMISSES** appeal no. 664, with prejudice.

Date Issued: 6/30/99


WILLIAM J. TAYLOR, Chairman


GAIL IGNATZ-HOOVER


JAMES H. CAMERON


BENITA KAHN, Secretary


JOHN A. GRAY

DISTRIBUTION:

David S. Hoffman
Raymond Studer
Mr. Harold P. Lhota
Mr. & Mrs. John A. Farmer
Mr. & Mrs. Charles Heller
Mr. & Mrs. Robert Gardner
Mr. Harold B. Festerley
Mr. & Mrs. James Buccigross
Mr. & Mrs. John Spees
Mr. & Mrs. David Beule
Mr. & Mrs. Blair Zimmerman
Mr. & Mrs. Richard Noble
Mr. & Mrs. Harry Beule
Mr. & Mrs. Stephen Antoniosanti

BEFORE THE OIL AND GAS COMMISSION

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JUN 14 1999

ALSID OIL & GAS DEVELOPMENT)
CO., INC.)

APPEAL NO. 664

OIL AND GAS
COMMISSION

Appellant,)

ORDER NO. 99-39

v.)

CHIEF, DIVISION OF OIL & GAS)

Appellee.)

CONSENT AGREEMENT

This Consent Agreement is by and between Alsid Oil & Gas Development Co., Inc. ("Alsid") and the State of Ohio, Department of Natural Resources, Division of Oil and Gas ("Division").

WHEREAS, the Chief of the Division is charged with the responsibility of administering, implementing, and enforcing R.C. Chapter 1509 and Ohio Administrative Code Chapter 1501:9; and

WHEREAS, Alsid is a corporation conducting business in the State of Ohio with its principal place of business located at P O. Box 129, Hanoverton, Ohio 44423, and

WHEREAS, Alsid is a "person" as that term is defined in R.C. 1509.01(T) and R.C. 1.59 and an "owner" as that term is defined in R.C. 1509.01(K) of the Steiner Well No. 4, Permit No. 70007 (224-A), Stark Co., Plain Twp., Ohio; and

WHEREAS, on or about April 15, 1998, the Chief issued Order No. 98-41 to Alsid finding that the Steiner No. 4 Well was incapable of producing oil or gas in commercial quantities and ordering that said well be placed into production within 10 days of receipt of Chief's Order No. 98-41 or plugged and abandoned within thirty (30) days of receipt of said Order; and

WHEREAS, on or about November 16, 1998, Alsid commenced plugging operations at the Steiner No. 4 Well, under the jurisdiction of the Ohio Department of Natural Resources, Division of Mines; and

WHEREAS, on or about November 17, 1998, Alsid submitted documentation in the form of a Plugging Report indicating that Summit Well Services completed plugging operations in accordance with Section 1509.15 of the ORC and Section 4101.10 of the Ohio Administrative Code; and

WHEREAS, on or about November 23, 1998, shortly after completion of plugging operations at the Steiner No. 4 Well, the Division and the Ohio Environmental Protection Agency (OEPA) began to receive citizen complaints regarding a petroleum odor in their private water supplies; and

WHEREAS, laboratory analysis of ground-water samples collected as of February 8, 1999, during one or more sampling events, from the following six residential water wells in the vicinity of the Steiner No. 4 Well, confirmed the presence of volatile organic compounds that exceed Primary Maximum Contaminant Levels established by the Federal Safe Drinking Water Act for public drinking water supplies:

	<u>Name</u>	<u>Address</u>
A.	Mr. and Mrs. Charles Heller	1140 Las Olas
B.	Mr. and Mrs. Richard Noble	1141 Brushmore
C.	Mr. and Mrs. Harry Beule	1133 Brushmore
D.	Mr. and Mrs. James Buccigross	2015 Markley
E.	Mr. Harold Festerley	2003 Markley
F.	Mr. and Mrs. David Beule	2112 Markley; and

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WHEREAS, laboratory analysis of ground-water samples collected as of February 8, 1999, during one or more sampling events, from the following additional six residential water wells in the vicinity of the Steiner No. 4 Well, confirmed the presence of volatile organic compounds that do not exceed Primary Maximum Contaminant Levels established by the Federal Safe Drinking Water Act:

	<u>Name</u>	<u>Address</u>
A.	Mr. Harold P Lhota	1204 Las Olas
B.	Mr. and Mrs. John A. Farmer	1150 Las Olas
C.	Mr. and Mrs. Blair Zimmerman	1200 Brushmore
D.	Mr. and Mrs. John Spees	2205 Markley
E.	Mr. and Mrs. Robert Gardner	1036 Las Olas
F.	Mr. and Mrs. Stephen Antonosanti	1025 Brusmore; and

WHEREAS, analysis of ground-water samples collected as of February 8, 1999, during one or more sampling events from residential water wells in the vicinity of the Steiner No. 4 Well, indicate chloride concentrations exceeding Secondary Maximum Contaminant Levels established by the Federal Safe Drinking Water Act for public drinking water supplies; and

WHEREAS, the Division has concluded that the contamination in the drinking water wells listed below is due to the plugging and abandonment of the Steiner No. 4 well; and

WHEREAS, Alsid denies the contamination set forth herein is due solely to the plugging and abandonment of the Steiner No. 4 Well and alleges that the plugging and abandonment of the Steiner No. 4 well was performed in accordance with instructions from, and under the direct supervision of, employees of the Division of Oil and Gas and the Division of Mines and Reclamation.

NOW, THEREFORE

1. Alsid, or its authorized agents, shall maintain water tanks, with minimum capacities of 1500 gallons each, in accordance with the Ohio Plumbing Code, for the following residents of Steiner Heights:

	<u>Name</u>	<u>Address</u>	RECEIVED
A.	Mr. Harold P. Lhota	1204 Las Olas	JUN 14 1999
B.	Mr. and Mrs. John A. Farmer	1150 Las Olas	
C.	Mr. and Mrs. Charles Heller	1140 Las Olas	OIL AND GAS COMMISSION
D.	Mr. and Mrs. Robert Gardner	1036 Las Olas	
E.	Mr. Harold Festerley	2003 Markley	
F.	Mr. and Mrs. James Buccigross	2015 Markley	
G.	Mr. and Mrs. John Spees	2205 Markley	
H.	Mr. and Mrs. David Beule	2112 Markley	
I.	Mr. and Mrs. Blair Zimmerman	1200 Brushmore	
J.	Mr. and Mrs. Richard Noble	1141 Brushmore	
K.	Mr. and Mrs. Harry Beule	1133 Brushmore	
L.	Mr. and Mrs. Stephen Antonosanti	1025 Brushmore	

For those residents listed above for which Alsid is supplying bottled water, Alsid will continue to supply bottled water until connection to the permanent city water line.

2. Alsid will pay for water used by the residents listed under Item 1 until such time that city water is available through a permanent water line.
3. Alsid shall pay the installation costs for city water supply connections for the residents listed in Item 1, broken down as follows:
 - A. Frontage costs (not to exceed \$18.03/ft.)
 - B. Tap-In-Fee (not to exceed \$627/house)
 - C. All costs from Tap-In point to connection with interior house plumbing.

The Division will encourage residents of the affected wells to allow Alsid or Alsid's authorized agent access prior to and after the completion of the permanent water line installations to determine compliance with and satisfactory completion of these tasks.

4. Alsid shall pay for the proper abandonment of private water wells for the properties subject to Item 1, if required by the Stark County Health Department (SCHD). If the SCHD does not require abandonment of said water wells, Alsid shall pay for one vacuum breaker, including installation costs, for each non-abandoned water system.
5. Upon completion of the conditions established in this agreement, the Division agrees to waive the assessment of civil or criminal penalties.
6. Nothing in this Consent Agreement shall be construed so as to prejudice the right of the Division to issue other orders and enforce the provisions of R.C. Chapter 1509 and Chapter 1501.9 of the Ohio Administrative Code, including orders under R.C. Chapter 1509.22(F) for water wells not specifically addressed in this Consent Agreement.
7. Nothing in this Consent Agreement shall be construed as a waiver by Alsid of any right, claim or cause of action against any person, firm, corporation or governmental agency for any reason whatsoever. Nor shall this Consent Agreement be construed as a waiver of any defense by any person, firm, corporation or government agency in the event of such filing by Alsid. Nor shall this Consent Agreement be construed as a waiver of any defense, in law or in equity, to any claim which may be brought against Alsid by any person, firm, corporation or governmental agency
8. It is understood and agreed that this Consent Agreement is made entirely for the purpose of settling any potential claims, causes of action or proceedings for damages. The consideration provided herein and the terms of this agreement should not be deemed to be an admission of liability or improper conduct on the part of Alsid. Alsid denies liability for the matters set forth herein and further denies any improper conduct.
9. Neither this Consent Agreement nor any provision of it shall be deemed to be an Order of the Ohio Department of Natural Resources or any of its Divisions for the purposes of the commencement of any statutory, regulatory or administrative appeal process.
10. The obligation created herein shall not be reduced or released in the event of voluntary reorganization or bankruptcy that Alsid may file for a petition in bankruptcy affecting its assets.
11. This agreement shall become effective upon the signature of the Director of the Department of Natural Resources.
12. Upon execution of this Consent Agreement, Alsid shall dismiss with prejudice the appeal filed with the Oil and Gas Commission Appeal No. 664.

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- 13 The Division has confirmed after consultation with other public agencies, including Ohio EPA, that the actions contemplated by this Consent Agreement adequately and satisfactorily protect human health, safety and the environment and that no further action, based upon current information, is necessary

Signed and subscribed on behalf of the parties hereto.

In witness whereof, the parties have executed this Consent Agreement in two counterparts, either of which may be considered an original without the presentation of the other. The parties acknowledge that they have read this Consent Agreement, understand its terms, are capable of complying with them, and agree to comply with them fully.

AGREED:

ALSID OIL AND GAS DEVELOPMENT CO., INC.

By: Al Levine
AL LEVINE, President
Alsid Oil and Gas Development Co., Inc.
P O. Box 129
Hanoverton, OH 44423

5/15/99
Date

AGREED:

STATE OF OHIO
DEPARTMENT OF NATURAL RESOURCES


By: Tom Tugend
TOM TUGEND, Chief
Division of Oil and Gas
4383 Fountain Sq., Bldg. B-3
Columbus, OH 43224-1362
(614) 265-6922

5-14-99
Date

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APPROVED:



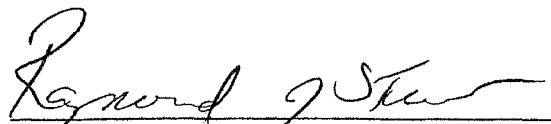
SAMUEL W. SPECK, Director
Ohio Department of Natural Resources
1930 Belcher Drive, Building D-3
Columbus, OH 43224-1362
(614) 265-6879

6-9-99

Date

APPROVED:

BETTY D. MONTGOMERY
ATTORNEY GENERAL OF OHIO

By 

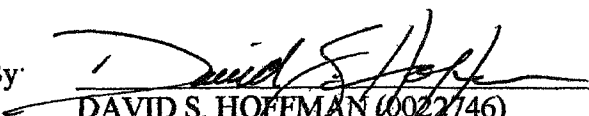
RAYMOND J. STUDER
Assistant Attorney General
Environmental Enforcement Section
Division of Oil and Gas
4383 Fountain Sq., Bldg. B-3
Columbus, OH 43224-1362
(614) 265-6939

5/14/99

Date

APPROVED:

MCMAHON, DEGULIS, HOFFMAN & BLUMENTAL L.L.P.

By 

DAVID S. HOFFMAN (0022746)
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(216) 621-1312

5/17/99

Date

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